
E X H I B I T S

EXHIBITS

Exhibit 1: Management Alert Letter Regarding Confidential Statements of Employment and Financial Interests

GOVERNMENT OF THE DISTRICT OF COLUMBIA

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OFFICE OF THE INSPECTOR GENERAL

717 14TH STREET, N.W., 5TH FL.
WASHINGTON, D.C. 20005
(202) 727-2540

May 10, 1999

Richard A. Monteilh, Director
Department of Housing and Community Development
801 N. Capitol St., N.E.
Washington, D.C. 20002

SUBJECT: Management Alert Letter Regarding Confidential Statements of Employment and Financial Interests

Dear Mr. Monteilh:

The purpose of this Management Alert Letter is to advise you of the urgent need to train Department of Housing and Community Development (DHCD) employees in the employment and financial disclosure requirements and to reinitiate the calendar year 1999 process of filing annual statements required by the District of Columbia Personnel Manual (DPM). Please let us know, by May 20, 1999, the action you have taken or plan to take on the finding and recommendations attached.

As part of our review of DHCD, we examined a judgmental sample of Confidential Statements of Employment and Financial Interests (DC Form 35). Our tests showed that DHCD employees did not understand the guidance and did not disclose all required employment and financial interests. In addition, when employees did identify such interests, reviewers did not obtain sufficient information to make an informed judgment as to whether a conflict of interest or appearance of a conflict existed. Instead of waiting until the draft report is issued, we are providing this Management Alert Letter so that DHCD may still meet the DPM deadlines of May 15th for filing disclosures and June 15th for completing reviews of the disclosures.

The enclosed finding provides the details and recommendations necessary to avoid conflicts or appearances of conflicts of interest by the DHCD employees. The subject matter discussed in this Management Alert Letter is still under review. Accordingly, you are requested to provide its contents only to management personnel within the Government of the District of Columbia responsible for administering the area discussed. The contents of this letter and attachment should not be given out without my approval.

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Richard A. Monteilh, Director, DHCD
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May 10, 1999

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Should you have questions about this Management Alert Letter, please call me at 727-2540, or John N. Balakos, Assistant Inspector General for Audits, at 727-0749.

Sincerely yours,


 Charles C. Maddox, Esq.
Interim Inspector General

Enclosure

EXHIBITS

Exhibit 2: Response to Management Alert Letter on Confidential Statements of Employment and Financial Interests

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**COPY FOR YOUR
INFORMATION**

**District of Columbia Government
Department of Housing and Community Development**

May 19, 1999

Charles C. Maddox, Esq.
Interim Inspector General
717-14th Street, N.W., 5th Floor
Washington, D.C. 20005

Dear Mr. Maddox:

This is in response to your Management Alert Letter, dated May 10, 1999, regarding Confidential Statements of Employment and Financial Interest.

The Department of Housing and Community Development (DHCD) has moved to correct the concerns raised by your findings. In that regard, a training session has been scheduled for Tuesday, May 25, 1999, to go over the preparation of the financial disclosure statement and to provide an overview of the District Personnel Manual (DPM) Chapter 18, Section 1813, "Employee Conduct: Reporting of Financial Interests." Copies of Section 1813 will be issued, along with samples of appropriately completed financial disclosure forms for discussion. Ms. Polly Rich, Assistant Corporation Counsel, Ethics Counselor for the District Government, will be in attendance to answer questions and provide clarification as necessary. At that time, the Department will reissue the 1999 Financial Disclosure forms with an expedited turnaround time for completion.

The Department has designated the Office of Corporation Counsel which services the agency to serve as the reviewer of the financial disclosure statements. This process will allow for a more thorough evaluation of employee financial interest statements to disclose and/or resolve conflicts or potential conflicts of interest of DHCD employees, and will ensure that any actual and/or apparent conflict of interests are resolved.

DHCD has notified the District's Ethics Counselor of the findings related to the financial disclosure statements and that the May 15 deadline will not be met in order that the issues associated with the findings may be resolved. We do, however, expect to meet the June 15 deadline.

In addition to the list of employees identified to file financial disclosure statements annually, DHCD has established a list of positions subject to the financial reporting. DHCD will track these positions as they are filled to ensure the timely filing of financial

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disclosure statements within the 10 days of an appointment or detail to a position, transfer or promotion to a position, or when a position becomes subject to reporting.

We are confident that with the above procedures in place, the findings identified will be corrected and hereafter, the financial disclosure statements will be in compliance with the regulations.

Sincerely,



Melvin Waldrop
Chief Operating Officer

CC: Richard Monteilh, Director
Donald Thigpen, Chief Corporation Counsel